



## **BILLING CODE 6717-01-P**

## **DEPARTMENT OF ENERGY**

### **Federal Energy Regulatory Commission**

**[Docket No. RC11-6-007]**

### **North American Electric Reliability Corporation; Notice of Staff Review of Enforcement Programs**

Commission staff coordinated with the staff of the North American Electric Reliability Corporation (NERC) to conduct the annual oversight of the Find, Fix, Track and Report (FFT) program, as outlined in the March 15, 2012 Order,<sup>1</sup> and the Compliance Exception (CE) Program, as proposed by NERC's September 18, 2015 annual Compliance Filing.<sup>2</sup> The Commission supported NERC's plan to coordinate with Commission staff to review the same sample of possible violations, thereby reducing the burden on the Regional Entities of providing evidence for two different samples. Furthermore, NERC and Commission staff agreed to exclude the Southwest Power Pool Regional Entity (SPP-RE) from the survey, reducing the burden on SPP-RE as it focused efforts on a planned and approved termination of its responsibilities as a Regional Entity. Commission staff reviewed a sample of 26 FFT possible violations out of 76 FFT possible violations posted by NERC between October 2016 and September 2017 and a sample of 100 CE instances of noncompliance out of 740 CE instances of noncompliance posted by NERC between October 2016 and September 2017.

Commission staff believes that the FFT and CE programs are meeting expectations with limited exceptions. Sampling for the 2017 program year indicated that the Regional Entities appropriately included all but two of the 126 sampled possible violations (98.4 percent) in the FFT and CE programs and that all but one of the 126 possible violations (99.2 percent) have been adequately remediated, with the remaining CE to be adequately remediated once the ongoing mitigation is completed. Commission

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<sup>1</sup> *North American Electric Reliability Corp.*, 138 FERC ¶ 61,193, at P 73 (2012) (discussing Commission plans to survey a random sample of FFTs submitted each year to gather information on how the FFT program is working).

<sup>2</sup> *North American Electric Reliability Corp.*, Docket No. RC11-6-004, at 1 (Nov. 13, 2015) (delegated letter order) (stating "NERC's intention to combine the evaluation of Compliance Exceptions with the annual sampling of FFTs to further streamline oversight of the FFT and compliance exception programs").

staff's sample analysis indicated a decreasing number of documentation concerns, particularly with regard to the quality of the information contained in the FFT and/or CE postings. For example, Commission staff found that a few FFT or CE issues still lacked some of the information requested in NERC's Guidance for Self Reports document and necessary for the posted FFT or CE.<sup>3</sup> This includes information such as start or end dates, or root cause. Specifically, the identification of root cause in FFTs and CEs has improved significantly over the past four years, moving from 38 percent missing an identification of root cause to less than 1 percent. Commission staff subsequently reviewed the supporting information for these FFTs or CEs, which provided a majority of the missing information. Commission staff ultimately agreed with the final risk determinations for 124 of the 126 samples. Commission staff also noted a significant improvement in the clear identification of factors affecting the risk prior to mitigation (such as potential and actual risk), and actual harm, which was identified in all samples. In addition, Commission staff noted that the FFTs and CEs sampled did not contain any material misrepresentations by the registered entities.

Dated: July 25, 2018.

**Kimberly D. Bose,**  
*Secretary.*

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<sup>3</sup> *North American Electric Reliability Corp.*, 138 FERC ¶ 61,193, at P 60 (2012).

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